PENSION
CORPORATION

ROLLING
THREE-YEAR SERVICE DELIVERY PLAN

2003/04 - 2005/06

THREE-YEAR SERVICE DELIVERY PLAN

2003/04 TO 2005/06

TABLE OF CONTENTS

		Page
A.	**Executive Summary**	**1**
B.	**Vision, Mission and Values**	**3**
C.	**Mandate**	**4**
D.	**Business Profile**	**5**
E.	**Performance Framework**	**6**
F.	**Strategic Priorities and Initiatives**	**7**
	Strategic Context	7
	Environmental Scan	8
	Major Goals for the Three-Year Plan	9
	Three-Year Strategies	10
G.	**Service Demand**	**14**
H.	**Financial Overview**	**18**
Appendix A – Service Demand Detail		**19**

A. Executive Summary

The Pension Corporation, in its 2001-02 Service Delivery Plan, set as its objective a three-year foundation building period that would help it to attain its goal of becoming one of the best pension administrators in Canada.

This foundation for service excellence focused on four basic objectives:

- a validated understanding of client needs and wants
- a well-trained, client-centered staff
- improved data quality and streamlined data management
- a technology infrastructure to support existing services and enhanced self-service

Increased demand arising from the aging membership population, public sector downsizing and increased interest of plan members in retirement planning will continue to be a service pressure for the foreseeable future. The percentage of active members at or near first eligible retirement age continues to grow and is now at about 34% of active membership. There is a growing expectation that the Corporation provide more self-service options for both plan members and employers and the Corporation is challenged by the plans' boards of trustees to provide the best service possible to their members.

Plan members have indicated through their responses to client-satisfaction surveys a high degree of approval of the Corporation's member service. They are generally happy with the quality of service they receive from Corporation staff but continue to seek improvements in the timeliness of service response and in the clarity of the forms and documents used in applying for benefits.

In the first year of this updated Plan (2003-04) the Corporation will complete its efforts to build a solid foundation for service excellence:

- All front-line staff will have completed a major training program
- Newly designed annual Member Benefit Statements, that are much easier to understand, will be issued to active plan members
- Service response times that better meet member expectations will be in place and additional performance standards will be implemented (e.g., general written inquiries)
- A newly designed pension web-site will have been implemented, with more user-friendly information and improved navigation and secured access for active members, to an on-line benefit estimator populated with their own data
- Work also begins on further improvements to simpler, improved calculator capability for members and employers
- A comprehensive review of business processes relating to the retirement event will have been conducted to ensure member-friendly, best practices are used
- Work will have begun on the implementation of new technology to enable improved service to members by phone, web-site and other media.

A. Executive Summary (continued)

In the second and third year of this Plan (2004-05 and 2005-06) the Corporation will begin to deliver a demonstrably improved level of service to plan members, with the following key objectives:

- To be an organization that models best practices
- To provide information and tools, through a broad range of media, that significantly help members in planning their retirement
- To provide plan employers with enhanced on-line information and services
- To attract, develop and retain qualified staff

Future services will be characterized by:

- Simpler, more understandable information in all media
- Proactive contact prior to normal retirement
- More customized communications suitable for members nearing retirement age
- Maximized first contact response and resolution and ready access to key information through different media
- Pension seminar information available earlier in a member's career
- Improved timing of the receipt of retirement options
- Expanded service delivery to members through expanded web services for their employers
- Ease of access, quick response and clear information to members about service processing times
- More user-friendly secured on-line estimators

Over the term of this three year Plan, the Corporation's service response times will meet member expectations, and be comparable to those of other public sector pension plans in Canada. The Corporation will emphasize clarity in information products and increased self-service information and tools for both members and employers, to provide an overall quality of service that meets the expectations of plan members.

With 2003-04 representing the last year of the three-year foundation building period, the total budget chargeable to the pension plans of $38.3 million reflects an increase of 6% over the current year budget of $36.1 million. About half of the increase represents planned additional investment in technology, with the balance for staffing and inflationary cost pressures.

How do the Corporation's costs relate to comparable organizations? Each year the Corporation benchmarks its pension administration costs per member against those of other major Canadian public sector administrators. On this basis, for 2002-03, the Corporation's cost per member was $108 per member, slightly above the benchmarking group average of $104, but below the top quartile of the group. Based on this Service Delivery Plan, the Corporation's comparable cost per member is expected to increase from $108 to $111 per member for 2003-04, with the Corporation's relative cost position in the group remaining the same.

B. Vision, Mission and Values

VISION

Pension services professionally provided

MISSION

Acting on behalf of the trustees of public sector pension plans we serve plan members by:

- managing members' accounts
- calculating and paying member benefits
- providing information to members and employers
- supporting trustees with administration and policy advice

We do so in a way that is:

- responsive
- accurate
- efficient

VALUES

Integrity Service Respect Teamwork

C. Mandate

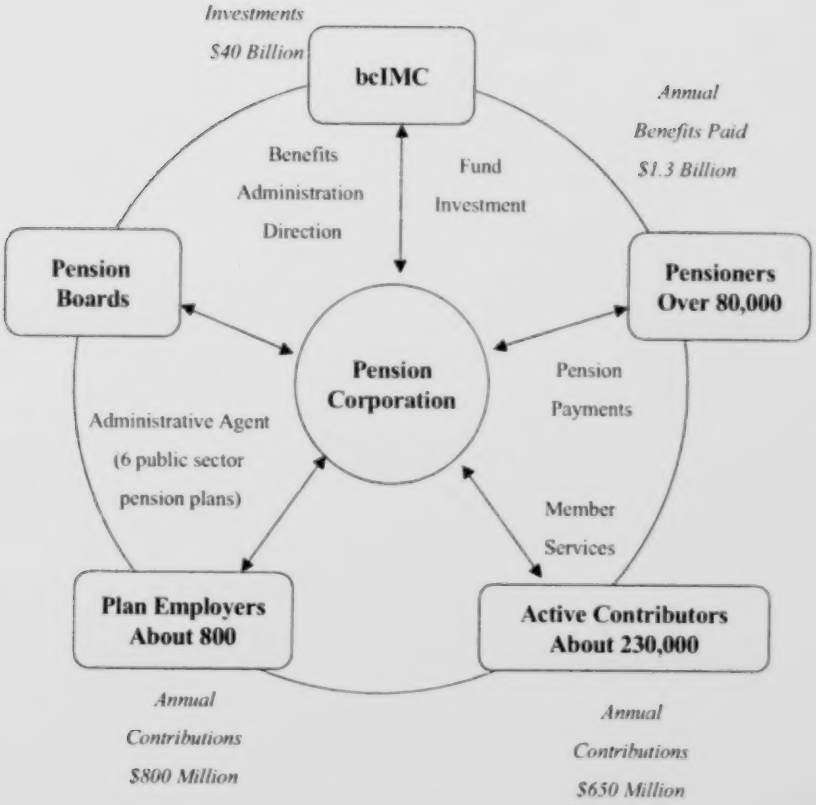
The Pension Corporation is one of the largest pension plan administrators in Canada, and is responsible for administering six British Columbia public sector pension plans:

- Public Service Pension Plan (PSPP)
- Municipal Pension Plan (MPP)
- Teachers' Pension Plan (TPP)
- College Pension Plan (CPP)
- Members of the Legislative Assembly Pension Plan (MLA)
- Workers' Compensation Board Superannuation Plan (WCB)

The corporation's operations are directly affected by:

- *The Public Sector Pension Plans Act*
- *Plan documents and trust agreements governing each pension plan*
- *Pension Benefits Standards Act (B.C.)*
- *Income Tax Act (Canada)*
- *Family Relations Act (B.C.)*

D. Business Profile



E. Performance Framework

Member Services

Experience Measured	Primary Recipient of Service	Performance Measure	2003/04	2004/05	2005/06
Quality of Services to Members	Active, Retiring Terminating, and Retired Members	Member overall satisfaction based on survey (1-5)	At least 4.0 and continuous improvement year by year		
Quality of Services to Employers	Employers	Employer overall satisfaction based on survey (1-5)	At least 4.0 and continuous improvement year by year		
Timeliness of Monthly Pensions	Retired Members	% of monthly pensions paid on time	100% Paid when due, at the end of each month		
Timeliness of First Pension	Retiring Member	% of first pension payments on time	98% Paid in the month following retirement where completed options statement received at least 2 weeks prior to retirement date		
Timeliness of Final Pension Options	Retiring Member	Elapsed time from receipt of request, including time awaiting documentation, to final pension options sent	80%	85%	90%
			Later of 30 calendar days from receipt of request, or 120 days in advance of retirement		30 calendar days from receipt of request
Timeliness of Termination Options	Terminating Members	Elapsed time from receipt of notice to termination information letter sent	95%		
			30 calendar days	21 calendar days	
		Receipt of application to final termination benefit options sent	95% in 30 calendar days		

General

Level of Employee Job Satisfaction	All Stakeholders	Corporation employee satisfaction (1-5)	At least 4.0 and continuous Improvement year by year
Level of Productivity	All Stakeholders	Total Key Service Request/Staff	On or above Canadian benchmarking group* average
Cost Effectiveness	All Stakeholders	Plan Cost per Member Plan Cost per Key Service Request	Below the top quartile of Canadian benchmarking group* Cost per Member range

* QSM is the Canadian Public Sector Pension Peer Benchmarking Group

F. Strategic Priorities and Business Initiatives

STRATEGIC CONTEXT		
Our **Purpose** is:	**To provide pension administration services on behalf of the trustees of BC public sector pension plans**	
Our **Vision** is:	**Pension services professionally provided**	
Our **Values** are:	**Integrity**	**Respect**
	Service	**Teamwork**
	Responsiveness	**Efficiency**
	Accuracy	
Our **Mission** is:	**Acting on behalf of the trustees of public sector pension plans, we serve plan members by:**	

	SERVICES	CORPORATE ADMINISTRATION
Managing Members' Accounts	**Member Services and Communications**	**Human Resource Management and Development**
Calculating and Paying Benefits		**Information Systems Management**
Providing Information to Members and Employers		
Supporting Trustees with Administration and Policy Advice	**Plan Management and Board Support**	**Financial Management and Corporate Services**
Our **Goal** is:	**To be one of the best pension administrators in Canada**	**To be a model employer**

F. Strategic Priorities and Business Initiatives (continued)

Our Environmental Scan shows:

ENVIRONMENTAL SCAN	
SERVICES	**CORPORATE ADMINISTRATION**
Rapid growth in retiring members due to aging population and public sector downsizing; increase in service demand from deferred, active and retired members	Increased demand for accountability to jointly trusteed pension boards
Downsizing in the public sector affecting termination workload	As simpler service requests are done through web-based self-service, the requirement for expert service support will increase
Growth in the number of employers and continued restructuring of employers	
Potential implications of public sector downsizing on the capacity of employers to act as first point of service on retirements	Aging and retirement of experienced staff and management raises succession planning issues
Increased demand from employers and member organizations to assist them in areas such as training and access to data and information	Rapid growth in the organization has resulted in both a large number of relatively new employees and a large number of employees new to their positions
Continued demand from employers and members for web-based products and services	The management of all information is becoming increasingly complex and critical
Increase in the complexity of services requested	Some systems are still based upon relatively old technology
Expectation of demand for value-added services to trustees	
Changes in plan rules and provincial and federal pension , and non-pension regulations will continue to impact workloads	
The relative financial health of the pension plans may drive plan changes	

F. Strategic Priorities and Business Initiatives (continued)

Major Goals for the Three-Year Plan

Foundation Goals

A good validated understanding of client needs and wants.

Client-focused staff, well trained to inform and serve clients as pension experts.

Significantly improved data quality and streamlined data management:

A technology infrastructure in place to support existing service and enable increased self-service.

Objectives Beyond the Foundation

- To model best practices
- To provide information and tools, through a broad range of media, that significantly helps member in planning their retirement
- To provide plan employers with enhanced on-line information and services
- To be an organization that is well able to attract, develop and retain qualified staff

F. Strategic Priorities and Business Initiatives (continued)

Three-Year Strategies

SERVICE GOALS	STRATEGY 2003/04	STRATEGY 2004/05
Member Services and Communications		
A good validated understanding of client needs and wants	Refine client satisfaction survey	Conclude overall evaluation of client satisfaction survey program
Significantly improved data quality and streamlined data management	Will have contacted at least 60% of members with interplan portability entitlement Will have pro-actively validated data for 85% of all members age 55 plus Working with employers continue major initiative to simplify data collection and management (e.g. employer pre-edits)	Will have contacted at least 85% of members with interplan portability entitlement Will have completed pro-active data research for members 55 plus and implemented on-going pro-active research program Working with employers continue major initiative to simplify data collection and management
Best practices	Enhance the delivery options for employer, unions' and employee associations' training Develop framework for service agreements with employers Evaluate pilot for electronic distribution of PA information to employer T4's and roll-out to other employers' as feasible Simplify the retirement process and related communication material Review of purchase eligibility communications and develop plan for proactive communication	Simplify the retirement process and related communication material

F. Strategic Priorities and Business Initiatives (continued)

SERVICE GOALS	STRATEGY 2003/04	STRATEGY 2004/05
Member Services and Communications (continued)		
Information and tools, through a broad range of media, that significantly help members in planning their retirement	Design benefit statements for non-active members	Issue benefit statements to non-active members who have self-identified. Begin enhanced member benefit statements for members who are within a period of time prior to earliest retirement age Implement enhanced new annual statements for retired members
	Evaluate the pre-retirement information program and refine it as required	Assess options for younger member information programs
	Establish the requirements and develop an implementation plan for new service delivery model delivering full range of services by telephone, fax, e-mail, etc.	Implement first phase of new service delivery plan
	Enable members to view key personal information; and evaluate the need for members to access their benefit statements	Significantly improve the on-line estimators for members and employers
Enhanced on-line information and services for employers	Work with employers to enhance on-line capability to service their employees	Work with employers to enhance on-line capability to service their employees

F. Strategic Priorities and Business Initiatives (continued)

SERVICE GOALS	STRATEGY 2003/04	STRATEGY 2004/05
Plan Management and Board Support		
Best practices	Proactively begin to develop industry trend and other pension education materials and programs for boards of trustees Implement any plan changes Review how to profile the Pension Plans' identity with corporate products and services.	 Implement any plan changes
Client-focused staff, well-trained to inform and serve clients as pension experts	Align employee performance management program with service delivery plan objectives Continue delivery of general and specific business knowledge training to front-line staff Develop and implement learning products for new customer service model	Refine employee performance management for new service model
Human Resource Management and Development		
An organization that is well able to attract, develop and retain qualified staff	 Implement the formal rewards and recognition program Implement recruiting, staffing and retention strategies to support new business model	Conduct the second employee satisfaction survey

F. Strategic Priorities and Business Initiatives (continued)

SERVICE GOALS	STRATEGY 2003/04	STRATEGY 2004/05
Information Systems Management		
A technology infrastructure to fully support existing services and to enable increased self-service	Integrate web with our primary systems for member and employer estimators Introduce new technology to support client service request tracking and delivering full range of services by telephone, fax, e-mail, etc. – first phase. Assess pension payment system changes Develop a plan for corporate record management Evaluate the need for value-added management reports from major systems	Integrate web with our primary systems and begin integration of all other systems Introduce new technology to support client service request tracking and delivering full range of services by telephone, fax, e-mail, etc. – second phase Implement pension payment system changes
Financial Management and Corporate Services		
Best practices	Enhance enterprise risk management and reporting framework Assess options regarding corporation payroll system	

G. Service Demand

Service demand volumes continue to rise due to a number of key factors:

- the aging population
- public sector downsizing, restructuring and early retirement initiatives which have had an impact in the past service delivery plan and are expected to have an impact in the first 18 months of this plan
- more complex pension service issues and more knowledgeable plan members
- a rising percentage of members who are addressing retirement planning at an earlier age

Some Specific Demand Trends:

- An increasing percentage of active members are at or near first eligible retirement age. In 1997, 29% were age 50 or more; now almost 36% are age 50 or more. Almost 55% of active members are 45 years of age or older compared with 47% in 1997.

- Historically, there has been a continuous modest increase in the membership base. However, in the current environment of public sector fiscal restraint a decline, rather than growth, is forecast, so that the active member base is expected to be at about 227,000 in 2003-04 and remain flat. That represents a decrease of almost 3% in active membership in each of the past two years.

- The retired member base is expected to grow approximately 7% per year over the next three years, as retirements increase. Based on this forecast, the retired members that we serve will increase from a little over 89,000 at the beginning of 2003-04 to about 110,000 in the third year.

- Members that are no longer actively employed with a plan sponsor employer but have deferred their pension benefits total almost 38,000 persons. This group also has an impact on the retirement service demand consistent with that of the aging active members.

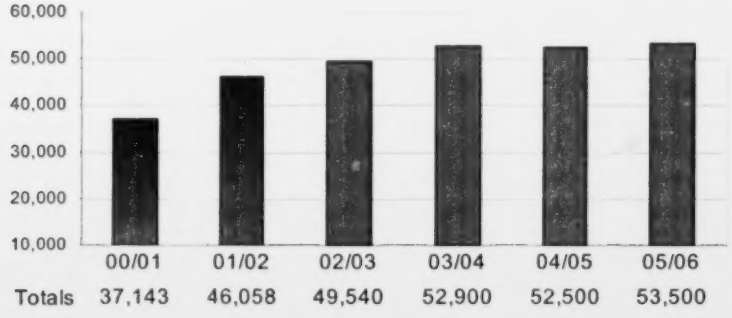
- Demand for termination service requests is expected to decline after 2003-04 primarily due to the effects of the end of government downsizing.

G. Service Demand (continued)

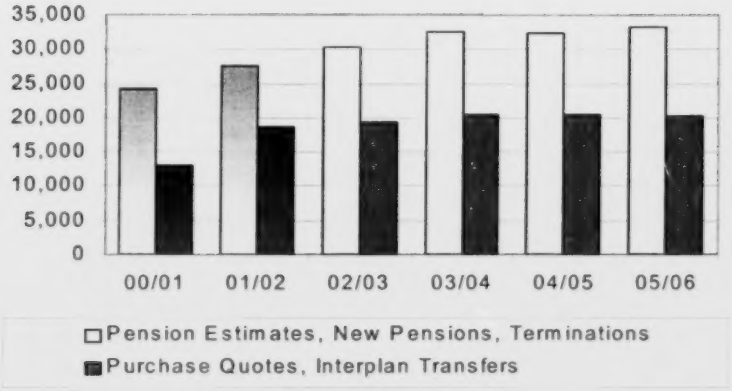
- Retirement option requests made to the corporation staff are expected to remain relatively flat over the next few years due to the introduction of an enhanced member benefit statement and more available on-line estimator tools for members.

- Purchase of service quotes are also expected to increase to over 18,000 for 2003-04, an increase of 15% from 2002-03. Purchase rule simplification and the related imposition of a new 5-year purchase window will drive this demand over the next three years.

Total Key Service Requests* and Future Demand Profile



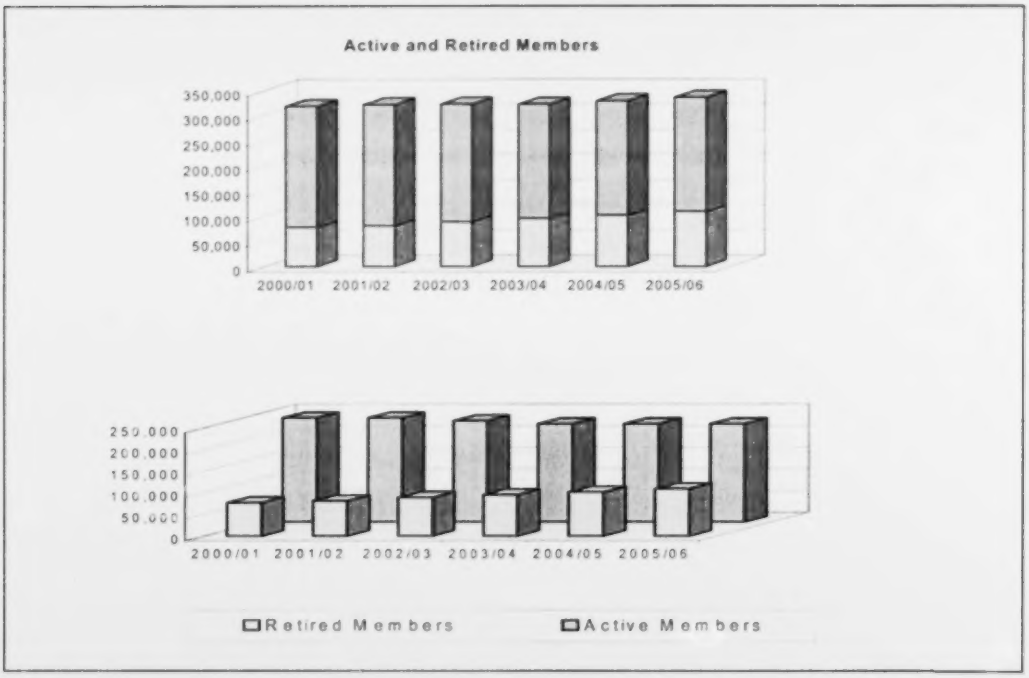
Key Service Requests* and Future Demand Profile - Detail

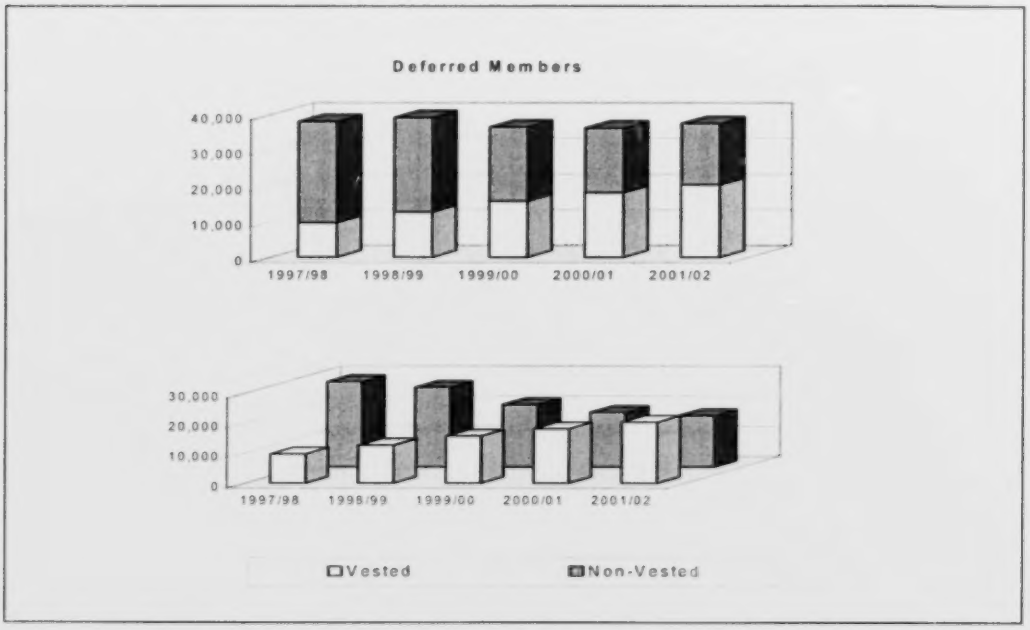


Key Service Requests = pension estimates, new pensions, termination service requests, purchase of service quotes of all kinds and interplan transfers

G. Service Demand (continued)

Membership

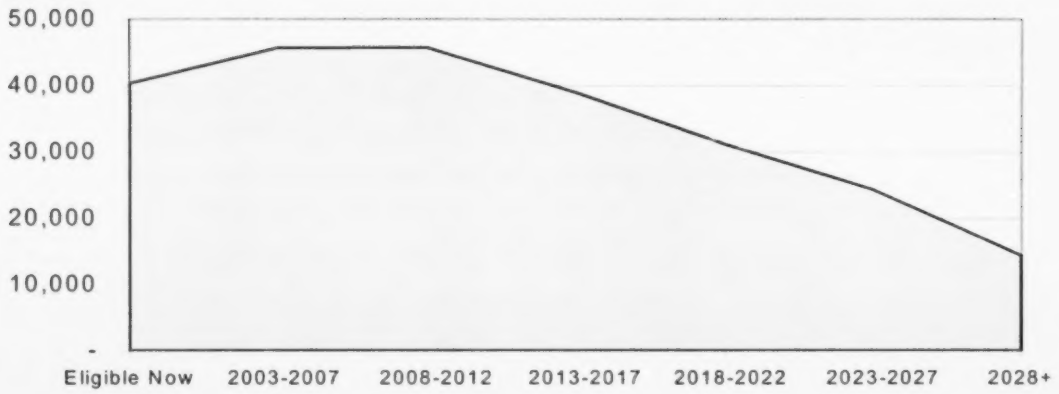




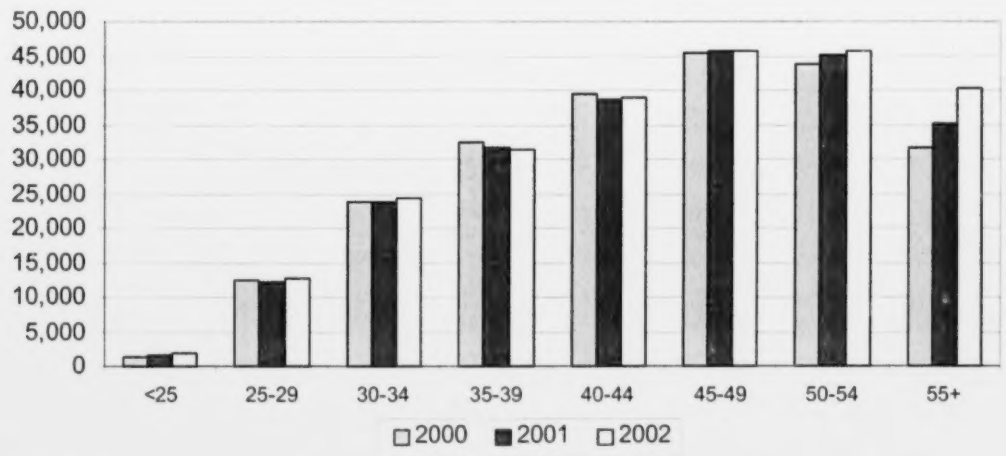
Deferred: members who have terminated all employments but have not yet been paid their benefit entitlement.
Vested: members who are vested under the plan rules or have interplan portability entitlement.
Non-vested: members who are not vested under the plan rules

G. Service Demand (continued)

Forecast Peak Retirement Periods
Based on Age of First Eligibility
(in five-year ranges)



The Increasing Age Profile of Active Contributors 2000 to 2002



H. Financial Overview

- The total 2003-04 budget of the Corporation chargeable to the pension plans (i.e., capital and operating, but excluding asset amortization) is $38.3 million, a 6% increase ($2.2 million). This increase represents a base budget increase of 4.9% and 1.1% for unspent major capital project funding carried forward from 2002-03.

- About 45% of the operating budget, excluding amortization, relates to Member Services and Communications; 6% of the operating budget relates to Pension Plan Management and Pension Board Support; 4% relates to Human Resource Management and Development, including training; and 45% relates to infrastructure support services (information technology, rent, plan and corporate financial management, and senior corporation management).

- The total capital budget for 2003-04 is $4.8 million, an increase of $.8 million over 2002-03, and represents the second year of a major investment in technology to support this service delivery plan and goals and strategies within it.

- Costs for the Corporation are benchmarked against Canadian public sector pension administration peers (QSM). Prior to 2002, the Corporation's cost per member was below the group average. As a result of the Corporation's three-year foundation building plan, the Corporation's comparable cost per member rose to $108 per member in 2002-03, slightly above the benchmarking group average of $104. The Corporation, however, was below the top quartile of cost per member for the group. In 2003-04, to effectively implement the service delivery plan and to deliver on the vision of significantly enhanced service, the Corporation's cost per member, on a benchmarked basis, is expected to increase from $108 to $111 per member. However, the Corporation's cost position in the group is expected to remain relatively the same. As well, cost per key service transaction is anticipated to be below the benchmarking group average.

Appendix A
Service Demand Detail

	Actual	Actual	Forecast			
Active Contributors	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Municipal	120,048	123,574	120,000	115,000	115,000	115,000
Public Service	58,572	56,342	54,500	53,000	53,000	53,000
Teachers	48,888	49,076	48,000	48,000	48,000	48,000
College	8,670	8,981	8,800	8,700	8,600	8,600
Other	4,886	3,052	2,750	2,600	2,600	2,600
Total for All Plans	241,064	241,025	234,050	227,300	227,200	227,200
% change from previous year	*3.87%*	*-0.02%*	*-2.89%*	*-2.88%*	*-0.04%*	*0.00%*
Pensions in Force	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Municipal	34,269	36,563	41,000	45,000	49,000	53,000
Public Service	23,966	24,615	26,500	27,500	28,500	29,900
Teachers	16,340	17,419	18,800	20,000	21,500	23,000
College	1,924	2,014	2,200	2,400	2,600	2,800
Other	1,604	745	750	775	800	825
Total for All Plans	78,103	81,356	89,250	95,675	102,400	109,525
% change from previous year	*4.76%*	*4.17%*	*9.70%*	*7.20%*	*7.03%*	*6.96%*
Termination Service Requests	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Municipal	4,235	4,403	6,500	7,500	7,500	7,500
Public Service	1,915	2,093	4,000	4,000	2,500	2,500
Teachers	1,234	1,312	1,300	1,300	1,300	1,300
College	390	416	450	450	450	450
Other	259	103	250	200	200	200
Total for All Plans	8,033	8,327	12,500	13,450	11,950	11,950
% change from previous year	*7.94%*	*3.66%*	*50.11%*	*7.60%*	*-11.15%*	*0.00%*
Pension Estimate/Option Reqs	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Municipal	4,407	4,500	4,800	5,500	6,000	6,500
Public Service	1,865	3,440	2,000	2,000	2,000	2,000
Teachers	3,826	3,349	3,000	3,000	3,200	3,200
College	422	298	450	450	450	450
Other	167	100	150	150	150	150
Total for All Plans	10,687	11,687	10,400	11,100	11,800	12,300
% change from previous year	*27.61%*	*9.36%*	*-11.01%*	*6.73%*	*6.31%*	*4.24%*
New Pensions for Finalization	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Municipal	2,789	2,898	4,000	4,500	5,000	5,500
Public Service	1,270	2,937	1,500	1,500	1,500	1,500
Teachers	995	1,444	1,500	1,600	1,600	1,700
College	234	192	300	300	300	300
Other	118	33	50	50	50	50
Total for All Plans	5,406	7,504	7,350	7,950	8,450	9,050
% change from previous year	*-14.26%*	*38.81%*	*-2.05%*	*8.16%*	*6.29%*	*7.10%*
Purchase of Service Quotes	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Municipal	5,484	5,833	6,000	8,800	9,200	9,600
Public Service	3,177	6,026	4,000	4,000	4,000	4,000
Teachers	3,614	3,810	5,300	5,000	4,500	4,500
College	470	1,310	600	400	400	400
Other	97	118	70	80	80	80
Total for All Plans	12,842	17,097	15,970	18,280	18,180	18,580
% change from previous year	*9.60%*	*33.13%*	*-6.59%*	*14.46%*	*-0.55%*	*2.20%*
Interplan & Recip Transfers (Final)	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Municipal	80	526	800	800	800	800
Public Service	82	467	600	600	600	160
Teachers	8	226	470	470	470	450
College	0	199	1,400	200	200	200
Other	5	25	50	50	50	10
Total for All Plans	175	1,443	3,320	2,120	2,120	1,620
% change from previous year		*724.57%*	*130.08%*	*-36.14%*	*0.00%*	*-23.58%*
	00/01	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**
Total Key Transactions	37,143	46,058	49,540	52,900	52,500	53,500
Percentage Increase in Transactions	*9.76%*	*24.00%*	*7.56%*	*6.78%*	*-0.76%*	*1.90%*
Total Clients (actives and pensioners)	319,167	322,381	323,300	322,975	329,600	336,725
Percentage Increase in Clients	*4.09%*	*1.01%*	*0.29%*	*-0.10%*	*2.05%*	*2.16%*

Notes:

Service requests are **new requests received** for year ended March 31

BC Rail not included in Other from 01/02 onwards

Active contributors and pensions in force are as at March 31; active contributors include active, leave of absence and long term disability "status"